

COALITION FOR SERVICES CONFERENCE

January, 12, 2005

TALKING POINTS

Welcome

- Good morning, and Happy New Year – (is there a cut off date for that?).
- On behalf of Secretary Evans and Under Secretary Grant Aldonas, I'd like to say that I am very pleased to welcome you to the Department of Commerce.
- Looking at today's agenda, we are very fortunate to have such a distinguished group of speakers and panelists ... each providing their own expertise for this conference.
- I would also like to thank each of you for sharing with us ... your knowledge of your respective services sectors. We very much appreciate your service.
- Let me now take a moment to give some special thanks to the following people:
 - Christine Bliss, from USTR
 - Robert Vastine and Ekrem Sarper of CSI, our conference co-sponsors;
 - Teresa Brown, of the US Chamber of Commerce, and
 - Richard Self, of Nathan Associates
- Thanks to each of you for your participation in this event.
- The services negotiations in the WTO are at an important juncture, and input from yourselves through this process is extremely important to our negotiators.
- As your new Assistant Secretary for Manufacturing and Services, ... I wanted to address this conference to emphasize my support for the U.S. services industry.
- Although my experience in the private sector has been in manufacturing, as a businessman our market, our customers, were of the Service Sector, ...
- and I can tell you that I understand the importance of services across all parts of the economy.
- My early attention has been focused on manufacturing and not on services. That's been of some concern to me, ...

- As I've seen what happens when you don't pay attention to things, they can often go awry.
- Let me assure you that I won't let that happen to services under my watch. The Services sector is just too important.
- Here's a few reasons why:

Importance of Services

- As one of the three market access pillars of the WTO Doha Development Agenda, ... services are central to the U.S. economy.
- In the United States, services account for approximately 65 percent of our GDP –
- That represents a record \$7.5 trillion value added in 2003 -- and not to mention 80 percent of our domestic employment. Need I say more?
- And growth in the services sector has continued its strong upward trend, ...
- growing 3.2 percent in 2003 following 2 percent growth in 2002.
- And this during difficult economic times.

IN TRADE

- U.S. services trade performance also remains very strong, ... as U.S. services exports in 2003 set a new record of \$294 billion, ...
- While posting a services trade surplus of \$66 billion. We're on track to exceed these results in 2004.
- The numbers aren't in for '04 ... but you should know we are also working to get funding to provide better and more comprehensive statistics on trade in services.
- Our ability to adequately measure this part is a must.
- With the huge role that services play in the domestic and international economy –
- ITA and other agencies in Commerce will be addressing this as a priority.
- As for Services trade advocacy, as you know the U.S. market is one of the most open in the world, ...

- and the U.S. objective in the Doha negotiations is to open other foreign service markets to the world-class services ... of U.S. providers.
- And to be fair, We also believe that developing countries will also benefit from the liberalization of services.
- On an average, services today accounts for more than half the GDP of most developing countries.
- Here are some potent statistical facts that will get your attention.
- A study by the University of Michigan estimates that a 1/3 cut in global barriers to goods and services would mean an additional \$2500 a year income to the average American family of four.
- And a study by the center for Global Development indicates that a successful conclusion to the Doha negotiations could lift more than 500 million people out of poverty ... and add \$200 billion annually to developing country economies. Now that's powerful.
- As such, the negotiations are a key component of President Bush's agenda to open new markets for American workers ...

and ensure a level playing field through a combination of global, regional and bilateral trade initiatives.

Timetable for WTO Services Negotiations

- Our U.S. negotiators have made comprehensive requests for market access from trading partners in the WTO in June 2002. ...

And these requests covered virtually all the services sectors.

- This negotiating process was structured to improve upon and expand the 1995 Uruguay Round commitments.
- To that end, the U.S. submitted its initial offer providing improved market access by foreign firms to the U.S. markets in April 2003.
- In addition to increased market access, ... the U.S. also seeks "new disciplines in transparency" –

In other words, ... clear, understandable rules, ... procedures, and policies –

It should be mentioned that we will continue to meet bilaterally with WTO members to further negotiate improved market access commitments.

- Also the U.S. will participate in the three-week WTO services meeting in February to refine our requests and focus on key service sectors.
- Along with the EU, Canada, and Japan -- we will press key trading partners to submit an initial or revised offer of market access later this month.
- Many WTO members have asked the U.S. to identify its market access priorities. ...
- In order to do this we are consulting with industry and regulators to focus and review the initial requests with Industry Trade Advisory Committees . . . that's you ... as well as others in the private sector.
- Needless to say, this conference is an important part of this process.

Need for Additional Proposals and Improved Offers

- Most countries agreed that more – as well as better – market-opening proposals ... need to be submitted as soon as possible, ... and that they should aim for progressively higher levels of liberalization.
- We need to further engage all WTO members, but especially the developing countries, ...
- and explain the value and importance of trade liberalization for all the economies.
- The WTO negotiations will encourage expanded trade between developed and developing countries,
- We believe open markets and domestic reform go hand in hand,
- That's the best way or means to integrate developing countries into the global economy.
- The Doha Development Agenda is part of the President's strategy to create free markets, ... reduce poverty ...

and expand freedom through increased trade among all countries in the global trading system.

- This strategy is being implemented through global, regional, and bilateral trade agreements,
- as well as preference programs like the African Growth and Opportunity Act.

- The United States recognizes that the poorer developing countries need assistance *(pause)*

... assistance designed to help them better integrate into this exciting global economy we are in.

- As part of this commitment, the U.S. spent more than \$764 million in trade capacity-building assistance in 2003,
- and pledged nearly \$1 million more to the WTO Development Agenda Global Trust Fund this year.

Close

- I would like to conclude by saying that ...
- This conference is part of a continuing process to acquire input from the private sector

in preparation for the upcoming February talks, ... leading to the May 2005 deadline for revised WTO offers.
- I'd like to urge each of you to provide your best, concrete, and specific recommendations to the negotiators –
- many of whom are here with us today.
- It will be great if you could help them identify the key barriers to service trade ... sector by sector, country by country –
- so that our negotiators will know what's really important to you,
- where to press for change, specifically how they can help U.S. services businesses do a better job.
- Thank you once again for joining us and our colleagues at the Coalition of Service Industries and taking part in this conference.